LEADERSHIP INTERVIEW

Dominique Senequier / CEO & Founder of Ardian
Mark Benedetti / Executive President of Ardian

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In a challenging fundraising environment, Dominique Senequier, CEO & Founder of Ardian, and Mark Benedetti, Executive President, discuss how Ardian's diversified activities and consistent performance continue to attract significant inflows.

What were the key events for Ardian in 2024?

Dominique Senequier / The most important change is the strengthening of our governance structure which occurred at the end of 2023. To have transitioned to this new framework in such a short period is an incredible achievement, which is due to the quality of the General Management Team and the Executive Committee. They are working very closely and effectively together. We have, more than ever, the right structure in place to guide the next stage of Ardian's growth.

Mark Benedetti / The first full year of our new executive structure was an important time, and it went very well. The General Management Team with the other members of the Executive Committee have brought together a talented group of executives with complementary skills who reflect our global footprint. Together we are setting priorities and implementing important projects quickly. This has been a period of milestones for our business – we had our best year ever financially, and Ardian's second-best year for fundraising. We closed ASF IX at $30 billion, which makes it one of the biggest private market funds ever raised, and we had huge successes with our other flagship funds. Our ability to do that in probably the most difficult fundraising market of my career is down to our strength and the incredible loyalty our 1,850 investors around the world have shown us.

What are you focusing on now as CEO & Founder, Dominique?

D.S. / My main role is to focus on Ardian's long-term strategy and the development of the company. I work closely with the executive team and the Supervisory Committee in setting our annual investment budget. This is becoming a priority issue because we are launching Private Wealth products and continuation vehicles, which require significant capital commitments from us as the sponsor. The management team is ambitious. We want to grow the company and that means we must plan our capital allocation efficiently.

How is the uncertain geopolitical situation affecting Ardian?

M.B. / We have gone through all kinds of market cycles over the past 25 years and being invested across the USA, Europe and Asia has given us a lot of experience in dealing with uncertainty. It is important to keep a steady investment approach and to use what has worked. We do not go in and out of markets just because of what is happening politically. We cannot ignore geopolitics but sometimes the soundbites are much worse than the reality. We get a lot of questions about Europe, but our Buyout and Expansion companies are leaders in their sectors and are growing their earnings at mid-teens percentages. The gap between Europe and the USA in terms of competitiveness is a reality, but it should also prompt a rethink of Europe's approach. The USA benefits from its dynamic domestic market and massive technological investments. The challenge for Europe is to mobilize resources and create an ecosystem that encourages innovation. Even so, we can see that investors are very interested in Europe because it offers unique opportunities for diversification in a stable economic environment.

D.S. / There are two or three consequences of the uncertain geopolitical situation for us. The dollar-euro exchange rate is important for Ardian because we have a lot of dollar revenues and more expenses in euros. So, a stronger dollar benefits us. Second, falling US stock indices could affect the valuations of private companies because listed companies are used as comparables. We are not at this stage yet because the US market rose a lot over 2023 and 2024 and for the time being it has not fallen too far. And at the same time European stocks have risen, which is good for our European assets. As for tariffs increases, we do not yet know what the effect on inflation will be, but a lot of Asian investors are telling us they are nervous about the US market now and they want to invest more in Europe. It is also clear that the geopolitical situation has given Europe's leaders a wake-up call. That is going to result in a lot more investment in European defense, which will drive higher growth in Europe over the next few years. To me this will prove more significant than tariffs. And I would also say that it is fantastic for us to see the UK back at the table in Europe.

How has Ardian's growth strategy developed over the past year?

M.B. / With our Executive Committee, we have adopted a five-point roadmap that says we will grow, first, by continuing to expand our flagship strategies – invest them carefully and continue to give our investors strong performance. Then we will launch funds in adjacent areas where we have transferable expertise. We have already done this very successfully with Infrastructure Secondaries and for the next stage I would point to Nature-Based Solutions, European Semiconductor, Single-

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Asset Secondaries, Hydrogen Services and Student Accommodation. Our third priority is to keep looking at the areas where we are not present. We will keep exploring those white spaces, but there is still so much to do with points one and two. Next, we will keep developing our Private Wealth business. I want to emphasize that institutional investors will remain the core of our business, but private clients are starting to increase their allocation to private markets, although they are starting from a very low base. That is a major shift, and we must be ready for these clients. They have different needs and ways of investing, but the products we offer are a great match for what they want to do. And finally, point five is AI. We must stay alert for disruption and ensure we are using all the data we have to our best advantage. Our Data Science team is leading the effort, and it is bearing fruit.

D.S. / Growth in the USA is a priority to address the white spaces. The USA is a market where our broad product mix is a strength: few players can offer our combination of private equity and real assets, direct funds and secondaries, investing in both Europe and North America. For US investors who want exposure to Europe, our multi-local network is crucial. We are also very ambitious in private wealth because we have already raised a lot of money for our Secondaries funds in the USA from private clients. We think that with an evergreen product that invests in US private equity Secondaries and Co-Investment and addresses a wider group of investors, we could see a lot of success. Some of our competitors in the USA are raising several billion dollars a quarter from private clients, so we believe there is a lot of space for us to grow. We are an extremely resilient company, and I am confident that we have the right culture to succeed in the retail market because we are conservative and very focused on compliance.

What does the Heathrow deal say about Ardian's ambitions in infrastructure?

D.S. / It is an incredible asset and a genuine milestone for the company: number one in Europe and number four in the world. The fact that we were able to acquire Heathrow with the full support of the UK government proves Ardian's credibility as an investor in critical infrastructure. We had to demonstrate to Heathrow's other shareholders that we were the right investor to replace Ferrovial, which is an industrial company. That shows the level of expertise we have in airports after our investments in Italy and London Luton. It also shows the scale we now have in European infrastructure. We have around €27 billion under management and we are raising our next flagship fund that will ultimately be €10 billion-plus. Heathrow is an extremely important deal for Ardian because it shows our expertise and ambition to do emblematic deals that are true infrastructure transactions. There is massive scope to invest in infrastructure assets in Europe and that will increase with the German government's plans for huge new investments. This is a major strategic opportunity for Ardian.

Are you concerned that investors' appetite for sustainability and the climate transition is waning?

M.B. / A lot of companies are not keeping the climate promises they made. But the energy transition and asset decarbonization are even more important now because demand for electricity will rise so much over the next few years. Advances in AI data centers will require huge amounts of energy at the same time as adoption of electric vehicles is increasing. So, renewables will become even more critical than they already were. We remain committed to investing in the energy transition and progressively decarbonizing our assets, but we focus on data and results rather than rigid beliefs. For example, in our Real Estate activity, if we upgrade a building from the lowest energy efficiency score to the highest. It becomes less carbon intensive and more energy efficient. This can reduce its operating costs by more than 20%, which obviously makes it more profitable. That means that when we sell, we achieve a better return for our investors, and it attracts a bigger group of buyers because it is now in the top category for energy efficiency. This is a win-win scenario in the energy transition, driven by data and facts, not dogma.

What do you see as the key to Ardian's ability to keep growing and attracting investors?

M.B. / We are unique, and we intend to stay that way. Ardian is not merely French or European; we are a global firm. There is something distinctly special about us that resonates with our investors. We have no plans to change, and our European roots undoubtedly set us apart.

D.S. / We have always been careful, cautious investors and we have always been very focused on client service. It would be very difficult to find another firm that is as client-focused as Ardian is. I think that will continue to serve us well. ●

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